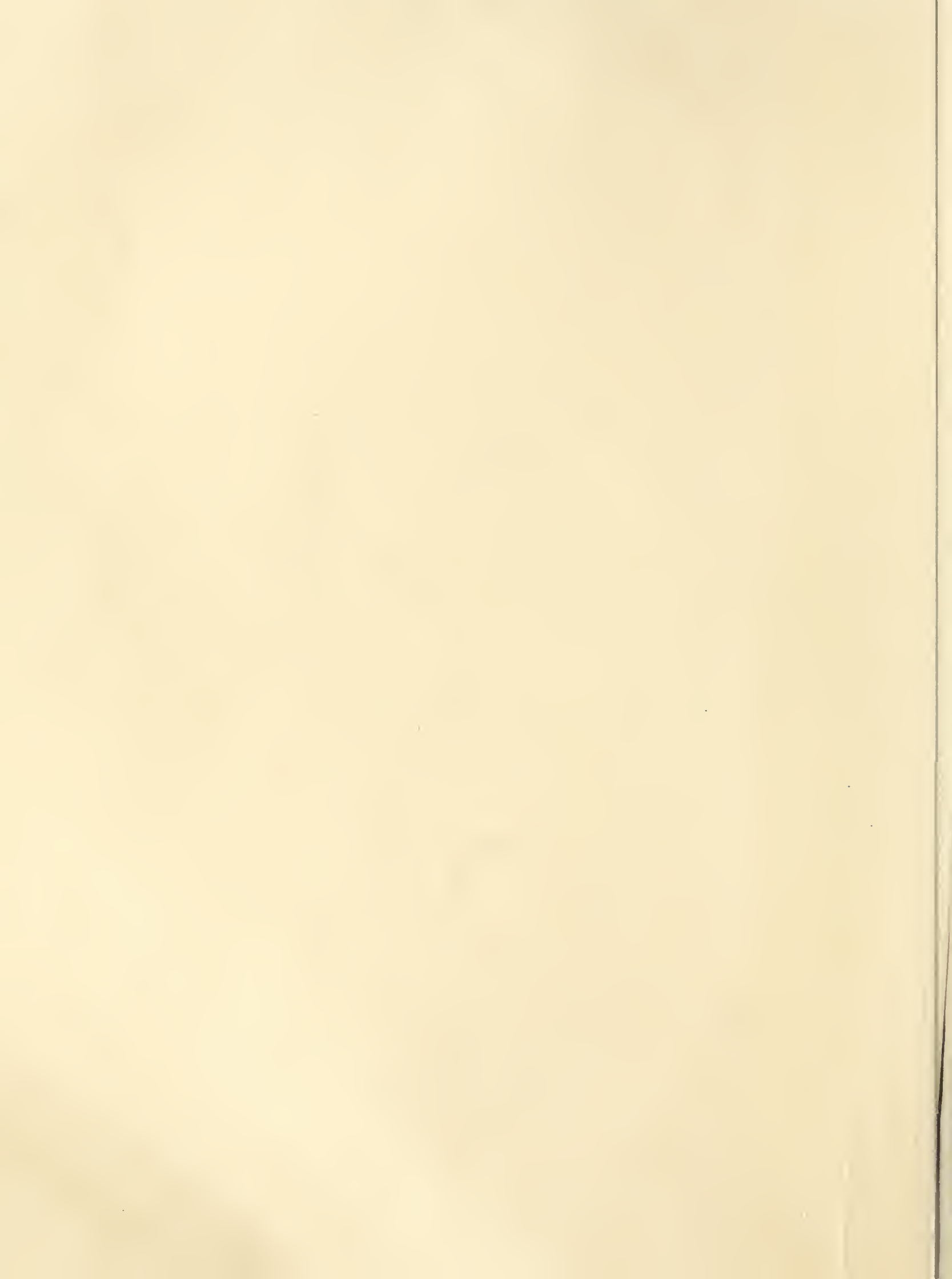


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ARGENTINE CATTLE SITUATION - SECOND QUARTER 1952

Marketing of cattle increased seasonally from April through June to bring the half-year total closely in line with that of 1951. Slight increases were granted in official cattle prices. Beef prices to consumers were jumped sharply to cover wage increases at packing plants.

Meat exports currently are small, pending a new agreement for shipment to the United Kingdom. Deliveries under the previous contract were completed in the second quarter. Stocks now are accumulating despite seasonally reduced marketings and a moderate increase in the quota for domestic consumption. Prices for cattle, nevertheless, remain firm on the basis of a domestic demand larger than the present quota, plus the general belief that a satisfactory deal will be worked out with the British.

Pasture Conditions: Pastures were fair during the second quarter. This condition has been maintained and in some cases improved by rains which have been satisfactory since mid-May. The natural pastures normally do not make much growth in winter and the frosts this year have been incessant and heavy. The drain on natural pastures has been accentuated by a reduction in rye seedings, caused by dry weather in March-April and by a scarcity of seed. Hay and silage reserves are small as a consequence of last summer's drought. A serious pasture situation could have developed this winter but has been averted by the repeated rains aiding natural pastures.

The spring pasture outlook is good provided moderate rains are received in late August and in September. Alfalfa is coming through the winter in fine condition and natural pastures are in condition to make early growth.

Marketing: Cattle receipts at Liniers Market and sales at estancias totaled 1,306,538 head in April-June for a normal seasonal gain of 21 percent. The total was 5 percent under comparable 1951. Marketings for the first half of 1952 closely approximate January-June 1951. Monthly 1952 totals gained consistently before dropping off in June-July. The season's peak was 457,872 in May, about the same as 1951 but two months earlier. The proportion marketed through Liniers this year was somewhat less than during the first half of 1951. (See table 1)

Cattle purchases at Rosario, Cordoba and Tucuman in January-June totaled 192,000 head, 6 percent below the first six months of 1952. Monthly April-June receipts approximated 33,000 head.

The seasonally heavy receipts came from the sale of animals not profitable for wintering and from areas with doubtful winter and spring pastures. Since the recent improvement in forage prospects, available animals are being bought for stocking and considerable numbers are being held on farms as replacements. The declining sales have strengthened markets for low quality stock and a high percentage of Liniers sales are of northern criollo types and canner grade cows. Steer sales will probably be small until the latter part of September.

There is some feeling that receipts may drop below domestic requirements during August and early September. Producers hope small price gains will be permitted in this period.

The Ministry of Agriculture and Livestock announced a program to encourage livestock production by providing producer loans at a rate of 5 percent and an artificial insemination program subsidized by the government for small farmers. First sires were bought at this year's Palermo show.

The government has announced as of July 1 scab infected premises will be quarantined for 30-90 days for cleaning up operations. Permission to market cattle from restricted areas will depend upon subsequent checks.

Slaughter: April-June slaughter at central frigorificos and meat factories totaled 1,250,100 head and yielded 501.5 million pounds of meat. This is an increase over the first quarter of 13 percent in cattle and 9 percent in meat. The kill slightly exceeded April-June 1951 but beef production was only 90 percent of the earlier period. The half-year slaughter of 2,350,000 head is slightly above 1951 while beef production of 965.2 million pounds is only 93 percent of comparable 1951. (See table 2)

Poor pastures early in 1952 prevented usual conditioning, hence second quarter sales were at lighter weights. Average yield per animal remained low during July with heavy receipts of thin cows and criollo stock. Central frigorificos were required to kill 10 percent of steers for export beginning May 14 but this was withdrawn in early July when frigorifico stocks were accumulating and a shortage of desirable animals developed.

Frigorifico operations have been fairly smooth with adequate labor. The national slaughterhouse began a 187 million peso (U.S. \$13.5 million 1/) project May 26 to improve and enlarge facilities.

Stocks and Consumption: Stocks of frozen beef and offal have accumulated since the end of deliveries to the United Kingdom. Beef holdings on July 31 are estimated at 55.1 million pounds and offal at 6.6 million pounds. Canned meat holdings are at good working levels of about 33.1 million pounds and canned roast beef about 2.2 million pounds.

Consumption of beef in Greater Buenos Aires has recovered somewhat as slaughter quotas reduced to 60,000 head per week on April 14 were restored to 75,000 on May 14, 1952. However, the supply still appears less this year than last. Consumption outside central markets is about the same as last year.

The previous ruling declaring meatless Friday has been clarified to permit sale of processed meats at stores on that day but not in bars or restaurants.

Prices: Prices paid for cattle continued near established ceilings which remained unchanged except for steers. Consumer prices for beef increased significantly.

Steer prices were raised approximately 4 percent effective May 15 to compensate for previously reported increases in freight rates. The higher price is believed adequate for its purpose. The government also announced seasonal bonuses for steers above currently effective official prices in a program to reduce seasonality in market receipts of cattle. A bonus of 2 percent will be paid for sales during May 15 - June 15; 4 percent June 16 - July 15; 6 percent July 16 to the end of September; 4 percent October 1 - October 15; and 2 percent until December 31. Bonuses are paid as a subsidy and are not reported in current quotations.

April prices for all types were slightly stronger with fair condition of stock and a heavy slaughter schedule for export. May prices weakened with somewhat larger receipts and reduced killing for export. Minimum prices were low with early marketing of thin stock. Cows were the lowest thus far in 1952. Prices of all cattle strengthened considerably in late June and July with smaller receipts.

Official retail ceiling prices for beef and pork were increased May 17 by approximately 20 percent while sausages and cured meats were raised about 40 percent. The increases were granted to compensate for wage increases to frigorifico workers. Prices to consumers have been close to ceilings with some decline in black marketing because of the larger domestic kill.

Cattle and meat prices are expected to continue at ceiling levels with little or no increases in the third quarter.

Export corned beef prices are unchanged from the previously reported levels of 14 U.S. dollars for 48/12 oz. cans of first grade stock 2/.

The government announced May 29 it would compensate frigorificos for losses incurred during December 14, 1951 to January 23, 1952 when cattle prices exceeded comparable controlled selling prices, and also for losses resulting from March 1, 1952 increases in labor costs.

Exports: Shipments of beef increased sharply in April, being made possible by some increase in slaughter and curtailment of indigenous consumption. Exports were the largest since May 1951 when accumulated stocks were moved out after the signing of the Anglo-Argentine agreement.

Although the Anglo-Argentine 1951-52 contract officially expired April 23, 1952, deliveries continued to June 30, 1952 in order to complete the one-year agreement for 448 million pounds of carcass meats and 67.2 million pounds of canned meat. The British completed shipments of their stocks in early August.

Shipments of frozen beef in April were 47.5 million pounds, making a January-April total of 103.6 million pounds, of which 74.6 million pounds were to the United Kingdom.

Refrigerated offal exports of 4.6 million pounds in April boosted the 1952 total to 13.0 million pounds. England received 9.6 million pounds. Movement of beef and offal in May was reportedly quite large with some decline during June.

Canned corned beef exports in April-May of 27.8 million pounds were somewhat above previous monthly levels. Practically all went to the United States.

Shipments of other specialities were relatively large in April but returned to earlier levels during May. These exports, primarily of canned roast beef and canned beef in natural juices, are mainly to the United States.

Edible and inedible beef fat exports in the second quarter were 188,500 pounds bringing the 6-month total to 579,800 pounds. Recent shipments were of Primer Jus and tallow.

Live cattle exports in April-May of 14,394 head were 90 percent to Chile with the remainder to Bolivia and Brazil. January-May shipments were considerably under comparable 1951. The quota for exports to Chile has been fixed at 48,000 head for 1952.

The 1951-52 Anglo-Argentine contract has been completed. An agreement has been reached to continue shipments in the interim before a new contract on an "open-price" basis but not much volume is expected as United Kingdom cold storage facilities have heavy stocks and negotiations on the new contract are going slow. The quantity that can be committed

for export is doubtful and new, higher prices must be agreed upon. The United Kingdom price on the last contract was 126 pounds sterling per ton (15.75 U.S. cents per pound) for frozen beef at an exchange of 14 pesos per pound (20 U.S. cents).

Palermo Show: The International Palermo Exhibition of 1952 opened June 23 with the judging, and sales began June 30. Entries were large and sales were at record levels but many of the frills were missing in line with the present austerity program. The beef breeds were placed by 3 English judges.

The highest price of 165,000 pesos (U.S. \$11,900 1/) was paid for the reserve 2-year old Shorthorn, and second highest at 160,000 pesos (U.S. \$11,500 1/) for the Angus placing first in the 2-year old class.

Entries by breed during 1950-52 were as follows:

Cattle Breed	<u>1952</u>	<u>1951</u>	<u>1950</u>
Shorthorn	426	345	395
Herefords and Polled	219	180	237
Aberdeen Angus	254	222	230
Holando Argentino	583	371	346

Total sales of breeding animals were a record at 13,324,140 pesos (U.S. \$958,600 1/).

Outlook: Cattle receipts and slaughter are expected to decline significantly in the third quarter with seasonally good pastures and hope that price increases may be permitted. Stocks will accumulate until the new United Kingdom contract is signed which is not expected until September at the earliest. Prices are expected to remain strong at present levels.

1/ Converted at free rate of 1 peso = 7.195 U.S. cents.

2/ Exchange rates are 750 pesos to 100 U.S. dollars for canned and frozen cooked beef and 500 pesos for chilled, frozen and cured beef.

Based on a report by Charles C. Wilson, Assistant Agricultural Attache, Buenos Aires, Argentina.

Table 1. ARGENTINA: Cattle receipts at Liniers Market and sales at estancias, January-June 1952.

Month	Estancias	Liniers	Total
	Head	Head	Head
January-March	366,991	708,996	1,075,987
April	135,030	294,866	429,896
May	185,226	272,646	457,872
June	170,058	248,712	418,770
April-June	490,314	816,224	1,306,538
January-June	857,305	1,525,220	2,382,525

Official sources.

Table 2. ARGENTINA: Cattle slaughter and beef production, (excluding interior and on farm kill) January-June 1952.

Month	Central frigorificos and meat factories	National slaughterhouse	Total
Cattle slaughter, in 1,000 head			
January-March	820.1	280.6	1,100.7
April	305.8	76.7	382.5
May	366.6	88.2	454.8
June	333.0	79.8	412.8
April-June	1,005.4	244.7	1,250.1
January-June	1,825.5	525.3	2,350.8
Beef production, in million pounds			
January-March	358.9	104.7	463.6
April	120.2	26.4	146.6
May	153.2	32.2	185.4
June	138.7	30.9	169.6
April-June	412.1	89.5	501.6
January-June	771.0	194.2	965.2

Trade sources.

